Understanding the undermining of Wisconsin's mining laws

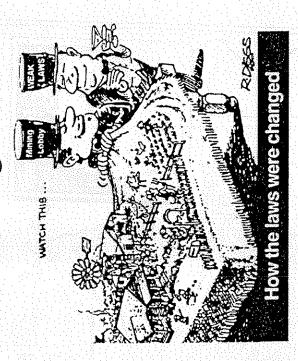
A review of legislative lobbying impacts since 1976 reveals a carefully orchestrated and largely successful effort to diminish the protection of Wixconsin's mining laws. Contrary to public opinion, Wixconsin's mining laws do not adequately protect the water, tax base, local authority, public participation, or DNR control of mining activity. Changes to specific statutes and rules have seriously undernited the intent of Wixconsin's mining laws.

How it happened

In 1977, Kennecott manager, Robert Schilling, announced the Ladysmith/Flambeau copper deposit in the Mining Congress Journal. "Discovery of the Flambeau deposit," Shilling said, "Yar exceeds the importance of the size of the orebody as it has opened the way to development of a new domestic mining district."

Unfortunately for Kennecott, and the mining industry, the local Town of Grant soon voted overwhelmingly to prohibit mining of the Flambeau deposit. Kennecott, Exxon and others in the mining industry launched a major lobbying campaign, called "Project Camel's Nose," to change Wisconsin mining laws and circumvent such local authority. Changes included abandoning the state's non-degradation water standard, exempting entire classes of mining from serious regulation, and eliminating local government authority.

By 1982, many of the changes were already in place when Excon lobbyist James Klauser (now Secretary of Administration for Governor Tommy Thompson) went public by telling the Wisconsin Association of Manufactures and Commerce, "Wisconsin has the potential for six to ten metalic mines, in the 1990's and the year 2,000."



§144.855 Requires local municipalities to supply water to any owner of a well that has been contaminated or gone dry from mining. Until the mining company is proven responsible, taxpayers will pay for it.

§70.375 Abolishes the per ton mineral severance tax, establishes net proceeds tax. Based on profits, there are no guarantees of tax revenue even as millions of tons of ore are removed. Amended, in 1983, increasing deductions and further lowering tax rates. NR182.075 Exempts mining company from all groundwater pollution standards on the site. Only the compliance boundary (more than 1 square mile at the Flambeau site) is required to meet groundwater rules. Mining company is unregulated within their boundaries.

NR182.02(10) & (11)Creates exemption for any backfilled mine from virtually all siting criteria, inspection and monitoring requirements, certified lab testing, record keeping and minimum design and operation standards.

§710.02 Removes limits on foreign ownership of Wisconsin land for mineral/oil exploration and development. (Only 640 acres may be foreign owned for agricultural use.)

- §144.838-839 Empowers unelected "Local Impact Committees" to negotiate contracts and exemptions to local zoning ordinances, overriding elected town authority. (The Flambeau mine proceeded only after specific town ordinances were circumvented.)
- §144.836(4)c), NR 182.09(1) Eliminates all consideration of public testimony by combining the Permit Application and Environmental Impact Statement process.
- §144.435 Repealed, in 1982, this law provided for the power of counties to adopt stricter standards for mining waste disposal than state rules provide.
- 1240 The so-called "Bad Actor" bill was gutted in committee to exempt mining company environmental track records from consideration in permit process. Civil penalities and environmental permit violations outside Wisconsin may not be examined.
- §144.83 State laws controlling ground water standards say only that DNR make rules. In 1981, DNR approved new groundwater maximum contaminate levels, eliminating former policy of non-degradation.
- Chapter 160.19(12) exempts mining companies from the law controlling ground water standards.
- NR103.06(3) Exempts mining companies from wetlands afteration standards, pursuant to NR 131 & NR132 (rules for prospecting and mining).
- NR132.06(4)(d) Allows use of wetlands for disposal and storage of mining waste, if mine is shown to be viable. As used in this section "viable" is defined as technically and economically feasible.
- §144.83(4)(j), NR 182.19 & NR 132.19 Permits DNR to waive most laws and provide variances for mining wherever standards are too strict for a project. When fish kills occur, operations may continue while company and DNR investigates the problem.

44

Governor's Top Aide Announces Plans For N. Wisconsin Mining District.

Secretary for Administration James Klauser, a former Exxon lobbyist and un-announced candidate for Governor predicts "six to ten major high sulfide metalic mining operations in the 1990's"

In a report to the Wisconsin Association of Manufactures and Commerce, Klauser said, "the recession is not discouraging [mining] companies." Recent easing of the tax burden on mining companies in the state means they pay only about a penny per ton for their toxic waste disposal. Local northern Wisconsin residents are paying about \$100.00/ton for curbside pickup of household waste.

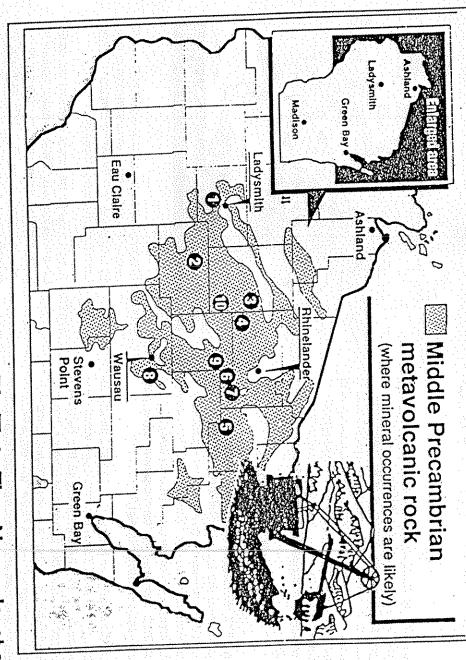
500,000+ acres of northern Wisconsin's woods and watershed are under mining lease. More expected.

No high-sulfide metallic mine has ever been successfully reclaimed, anywhere in the world. Current mining proposals are all based on experimental technology that has never been operational. Even the most modern mining companies have a very poor record of environmental safety. They frequently violate pollution standards.

Jobs..

DNR and mining company officials say there is no need for public concern. Will a few mining jobs offset the many losses in resort, tourism, agriculture, and recreation employment inevitably caused by long-term mine pollution and contamination of waters, air and soil.

Fish And Water Contamination Hazards



Key to Wisc. Mining plans of Exxon, Rio Tinto Zinc, Noranda, et al*

- Flambeau RZT/Kennecott 3,368
 acres, Copper, zinc, gold deposit, DNR
 Approved permit to mine.
 Vellow River Bend ASARCO and
- 2. Yellow River Bend ASARCO and Cyprus Gold. 23,700 acres under lease
- Chequamegon / Emery Noranda Minerals, 1,000 acres in Chequemagon National Forest gold and copper
- 4. Lynne Noranda Minerals. 2,419 acres on Willow Flowage. Announced intent to seek permit for zinc, lead, silver deposit.

- 5. Crandon—Exxon. 2,000 acres copper, zinc. Permits applied for in 1986, temporarily suspended operation.
- 6, Enterprise Noranda/Placer Dome. 10,670 including acreage leased from Public Land Commission.
- 7.Pelican River-Noranda. Zinc, copper of low grade.
- 8. Reef Prospect Noranda Minerals.
 1,000 acres exploring for gold, copper, zinc.
- Horseshoe Chevron. Exploring on private and some Lincoln County Forest lands.
- 10.Ritchle Creek E.K. Lehman
 Company: Exploration of private land in
 Price County for copper and silver.
- 11.Tiger Cat Flowage/Round
 Lake Union Carbide, North America's
 largest strategic reserve of titanium lies
 under flowage and Round Lake near
 Hayward.
- *Reprinted from Wisconsin State Journal

Groundwater— Wisconsin's buried treasure

This publication was produced through cooperation of the University of Wisconsin-Extension, the Wisconsin Geological and Natural History Survey, the DNR Bureau of Water Resources Management and Wisconsin Natural Resources magazine.



Groundwater in Wisconsin is indeed a treasure. But like all our natural bounties, it is a treasure whose high value must be sustained not by accident but by purpose. By accident, groundwater falls victim to leaking gasoline tanks, chemicals misapplied on farm fields, poorly designed landfills or mismanaged animal wastes. By purpose, groundwater should be consciously protected from these and other dangers.

"Wisconsin's buried treasure" has been pre-

pared to communicate a sound understanding of the resource and the ways our actions affect this resource. By understanding groundwater and our relationship with it, we take the first step toward insuring its value in Wisconsin's future.

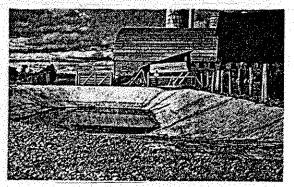
Described herein are the groundwater, the layers of rock and soil that hold our groundwater, the water cycle that replenishes it, the human activities that endanger it and those that preserve it.

Each of us in Wisconsin is a beneficiary of this groundwater treasure; we must each learn to be its guardian.

PROTECTING THE RESOURCE

Nearly everyone agrees that it is more economical and efficient to prevent groundwater deterioration than to try to clean it up. The technology for cleanup is expensive and unproven. The potential costs of damaged health, degraded property values and limited economic development that can result from contaminated water are incalculably high.

What can be done to prevent groundwater pollution? The answers are as variable as the



When manure pits are installed in permeable soils, cement lining can prevent the leakage of pollutants to groundwater.

pollution sources.

Wisconsin already has many regulations that protect groundwater. DNR and other agencies make rules that affect at least a dozen groundwater related activities. For example, no one may dispose of wastes by pumping them down a well (injection). Septic systems may only be put in by licensed installers. The soil must be tested first to make sure the system will work and a permit must be granted by the county inspector. Many other rules exist that protect the health of water users. Existing regulations are continually reviewed, expanded, and strengthened to include new technologies.

Some potential pollution sources like mines and landfills are easy to pinpoint. Others, like fertilizers and pesticides, animal wastes and road salt are everywhere. This "non-point source" pollution is a problem with groundwater just as it is with surface water. Both are difficult to control.

New sites for disposal of mining wastes and

(over)

solid and hazardous wastes must meet strict standards. Their design must keep water from leaching toxic and harmful elements into the groundwater. The groundwater must be monitored through wells to determine if leachate is escaping.

But the widespread nonpoint pollution sources pose hard problems. Fertilizers and pesticides, animal wastes and road salt are handled by many thousands of people over hundreds of thousands of acres of land. They offer many chances for pollution.

Technology can provide some answers. Agrichemical companies can test products to identify drinking water hazards. They can establish the most efficient rates and times of application and even indicate soil and bedrock types where the chemicals should not be used.

Animal waste holding tanks can be engineered to minimize leaks or overflow. Salt truck

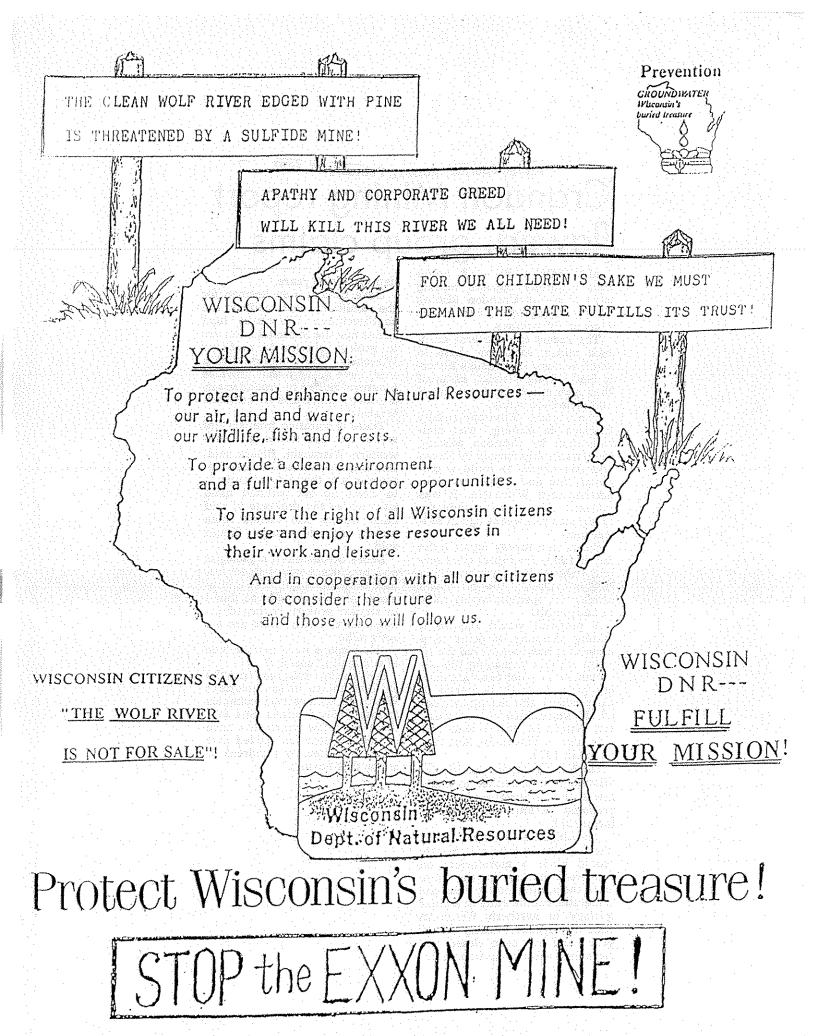
sprayers can be calibrated and new mixtures formulated to reduce amounts needed to make the roads safe. Some research indicates that calibration can save significant amounts of money by eliminating waste. Or, sand can be substituted, as some Wisconsin communities are doing.

Preventing pollution through technology is easier and cheaper than trying to clean up groundwater after it has been contaminated. But technology is expensive, and it won't work if people don't use it. Getting companies and individuals to invest in prevention requires regulations, standard setting, enforcement, economic incentives, disincentives and a variety of other techniques that influence the way people use the resource. Actually doing it means weighing the benefits of protecting the resource against the costs of restricted freedom and required expenses.

Who's in charge of groundwater protection?

- martina refle november areadolise, in fectal reflection.
[additional filtricological program area all Aberral from
[additional filtricological program area all Aberral from
[additional filtricological program area all Aberral
[additional filtricological filtricological filtricological
[additional filtric

(taevo



Antigo Journal, Monday, February 24, 1997

Crandon Mining report flawed, group claims

MADISON (AP) - A group that generally opposes mining says a recent Crandon Mining Co. report improperly cites conditions at older mines.

The report cites several hardrock mines, including those in southwestern Wisconsin's historic lead-mining district, as proof that such mines can be operated

and reclaimed safely.

The report, "Environmentally Responsible Mining," was commissioned by Crandon Mining, the partnership formed by Exxon and Rio Algom to build a proposed zinc and copper mine in northeastern Wisconsin. It was released at a mining industry conference two weeks ago in Milwaukee.

Based on a survey begun in the fall of 1995, the report cites several mines that are operating safely, including the Flambeau Mining Co. open-pit copper mine

in Ladysmith.

A proposal would require a mining company to point to a mine that has been closed for 10 years without damaging the environment in order to obtain mining permits. With reference to the proposal, the consultants cited old lead mines in southwestern Wisconsin and a lead and zinc mine in Viburnum, Mo., that closed in 1978.

The Mining Impact Coalition of Wisconsin said neither example meets the requirements in the proposed metallic mining mora-

torium bill.

The bill, scheduled for a vote in the Legislature later this month, would place a moratorium on hard-rock mining in the state until the mining industry can cite a metallic sulfide mine in similar geology to northern Wisconsin that has operated safely for 10 years and has been closed and reclaimed without environmental

damage for 10 years.

Dave Blouin, a spokesman for the coalition, said neither the southwestern Wisconsin lead mines nor the Missouri mine are in geology similar to northern Wisconsin. Those mines, Blouin said, have geology, that provides a natural buffer to groundwater, a geology not found in northern Wisconsin,

There is pollution from several of the old lead mines in southwestern Wisconsin, Blouin said. The Department of Natural Resources is in the midst of projects to clean up old polluted mine sites where the drainage of acid mine wastes has turned some waters red and orange, Blouin said.

Debra Struhsacker, a geologist and consultant who helped prepare the report, said the requirement that an example be found in similar geology is flawed because no two mine sites are exactly alike.

"That opens up a mother lode of ambiguity," she said.

Struhsacker disagreed that the old lead mines in southwestern Wisconsin are not good examples of safely closed mines. She said there are a few mines that have caused problems but added that "there are literally hundreds of mines that haven't."

Clementine Journal of Responsible Mineral Development

CIRCUIT RIDER

Groundwater vs. Big Mining—In Court

Peregrinating Plumes

The Winter 1991 issue of Clementine carried an article, Snuggling with the Enemy, by Mineral Policy Center's Southwest Circuit Rider David Mullon, Mullon told the story of an inadequate legal settlement proposed by the State of Utah for damage to public groundwater supplies. The issue has continued to develop; here is an update.

For a more extensive discussion of the legal issues and history of the Kennecott case, see Snuggling with the Enemy.

his court concludes that the proposed Consent Decree as written is not just and fair or consistent with the purposes of CERCLA." With those words, on 3 September 1992 Judge J. Thomas Greene of the U.S. District Court for the District of Utah established a new benchmark for environmental protection from damage caused by mining. His ruling comes as good news for anyone who drinks from a well near a mine.

Kennecott Corporation's Bingham Canyon mine—frequently described as the largest open-pit in the world—and its "dump-leaching" and associated facilities are causing a massive plume of contamination to spread through nearby groundwater flows. As the polluted water migrates, more and more people's wells and water supplies are damaged.

As we described in Clementine, Winter 1991, the State of Utah had negotiated a settlement with Kennecott for damage to groundwater from the Bingham Canyon mining. Kennecott would have paid \$11.7 million—an amount many felt was far from adequate.

The settlement was challenged by several parties. The Salt Lake County Water Conservancy District was admitted—despite opposition from both Kennecott and the State—as an intervenor to the case. Mineral Policy Center and Sierra Club participated and filed legal arguments as amici curiae.

The State's agreement with Kennecott had been based on three fundamental premises:

* The area of groundwater which would be contaminated was precisely known and would not grow in the future.

* Cleaning up the groundwater was impossible (it was estimated that natural remediation of the sulfate contamination would take a thousand years).

* No other resource was lost except the value of the water rights which are now contaminated

In its hearings, however, the Court heard testimony from expert witnesses that:

* The contaminated area was larger than the State said, and is probably still growing:

"It appears to the court that the area of contamination is not now nor in the future will continue to be neatly contained within,... the Mining Impact Area. There is no physical barrier to prevent the contaminated waters from spreading or moving: Because of the dynamic nature of the plumes in question, it is likely that the area of contamination will shift, spread out and continue to grow larger."

* Cleanup should not be ruled out; it may be costly, but it is not impossible.

* The aquifer itself, as a water storage and transport capability, constitutes a public resource which has a value separate from the value of the water in it. 4

The last point, that an underground aquifer which stores groundwater and conveys it is a public resource and should be valued and protected, is a very important concept. It has been overlooked too often in the past.

This is not simply a problem of past mining. As the proceedings clearly demonstrated, Kennecott is still discharging contamination.

For example, in the 1991-92 discussions over Congressional action to address hazardous mining waste within the reauthorizing of RCRA (the Resource Conservation and Recovery Act) the focus has been on groundwater protection. State regulators in the RCRA discussions have introduced "soils" as a resource to be protected, a valuable addition.

ng the county
That

where is transported to the the the forth to the the serves ather tion as constant to the the tion as constant to the tion as constant to

line

ıll re-

aually

is re-

eived and ndum f pub-

long

k and

1.5 110

hip to

1992

1992 * Winter * 13

COD COOKS

However, the value of an aquifer independent from the value of the aquifer's waters has not been generally identified as an environmental resource to be protected prior to this case. The Utah Court specifically held that "Failure to take into account damages such as loss of the aquifer aprart from market value of the quantity of water the State determined to be contaminated resulted in an inadequate assessment of damages." This ruling will help establish this important new fundamental concept.

Shortly after the court rejected the settlement which the State and Kennecott had proposed, the rejection decision was appealed by both of them. Now the issue moves on through the legal system to the Tenth Circuit Court.

But, just as inexorably, the pollution plume moves on through the aquifer, spreading sulfates and toxic heavy metals. This is not simply a problem of past mining. As the proceedings clearly demonstrated, Kennecott is still discharging contamination. The State said that eliminating the sources of contaminated flow to the aquifer was its "number one priority." But, years after problems at Bingham Canyon were identified, "a lot more yet needs to be done to eliminate the sources all the way around the south end of the waste dumps..." according to Kenneth Alkema, then Director of the State Division of Environmental Health.6

A Correction Due

The policies and legal viewpoints promulgated in Snuggling and in Mineral Policy Center's input to the settlement review process serve the public interest far better than the position the State of Utah adopted. One correction is due, though: the article implied that a formal legal notice had been the only chance for the public to learn of the settlement.

The State had issued press releases, and briefed a variety of parties, regarding the settlement. Salt Lake newspaper reporters had covered the essence of the issue. MPC apologizes for the misimpression conveyed by the Winter 1991 article. Nonetheless, MPC continues to believe that the State did not fulfill its duty to aggressively pursue the full relief Kennecott owed to the public. The Court agrees with our view.

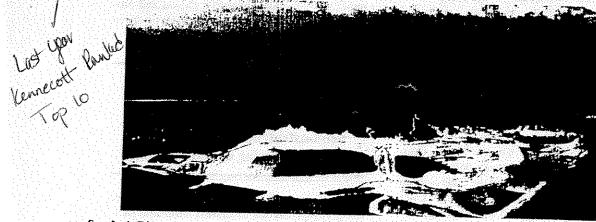
Kennecott's appeal of the Court ruling overturning the settlement is understandable. Almost any other conclusion will cost them more money. The State of Utah is harder to understand.

A court of law has ruled that the State should take a larger view of Kennecott's responsibilities for cleanup of a major contamination problem. Laws are complex, and the State may have taken a more limited interpretation in the past. That doesn't justify the State fighting alongside the mining company against the Utah District Court's broader view.

Snuggling with the Enemy. If the shoe fits...*

PEREGRINATING PLUMES NOTES:

- 1. State of Utah v. Kennecott Corporation, No. 86-0902G, slip op. at 45 (D. Utah, filed 3 Sept. 1992).
- Utah v. Kennecott, supra. at 17. From testimony of Mr. Adrian Brown.
- 3. Utah v. Kennecott, supra, at 20.
- 4. Expert report of Dr. Douglas James, Utah State University, cited in Utah v. Kennecott, supra, at 9.
- 5. Utah v. Kennecott, supra, at 31
- 6. Utah v. Kennecott, supra, at 24



San Luis Blues: Battle Mountain Gold has dumped excess levels of cyanide into these tailings ponds. The ponds are not adequately designed to store toxic cyanide, and any leaks could flow to the nearby town of San Luis, Colorado. The State has not decisively solved the problem. Photo: Paul Larkin / Lighthawk.



Mining Impact Coalition of Wisconsin Inc.

- committed to research and education about the social, economic and environmental impacts of metallic sulfide mining

May 19, 1997

Friends,

Please enjoy reading this complimentary copy of "When Mines Enter Minds", the most current study of the City of Ladysmith and how it's economy fairs when compared with the City of Medford.

I have thoroughly enjoyed doing the research and hope you find the conclusions optimistic and enlightening. By now, I am convinced that much of Wisconsin's strong economy is rooted in the quality of life offered those who live here. I am also convinced that today's business leaders are excited about being mobile and high tech.

It should come to no surprise that future business growth will occur in areas which offer a high quality of life for themselves, their families and customers. If we are to promote Wisconsin as a business State, we should first commit to protecting and improving our quality of life. This means improving: schools, medical facilities, the environment, parks, etc...(the things that attract people in the first place).

Rodney Harold, of Crandon Mining Company, recently complained that if he had to leave Wisconsin because of the burden of the process and political pressure, then it would hurt our State's reputation as a great place to do business.

I wonder, what kind of businesses would we be discouraging if we strengthened our environmental laws? Who would we attract if we committed ourselves to preserving the State's natural heritage? Who would we attract if we had the Nation's best schools, best medical facilities, cleanest water? Well, according to Mr. Harold, if protecting these things makes it difficult for him to have a mine, we wouldn't attract anyone—especially business leaders. I wonder about that?

Sincerely,

Tim Tynan

WHEN MINES ENTER MINDS:

An Investigation of Ladysmith and Medford, Wisconsin and the Economic Impact of the Flambeau Mine By Tim Tynan, Mining Impact Coalition, 1997

																						٠. ت											
		j.		÷.			Ŋ,									١.										17 <u>1</u>					Ψ., Α.,		
																													i i			i. Agi	
1					į					1	Ŷį,							:	4.							 			· .				
									. : :							9 13 1 13	14				ve v Šyla		200					٠.					
	÷.							: :							 174			 543		-													
																									:							į	
	Ċ.						. 43. 				÷.			\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \																			
					٠.											÷.,					 ed Ne												
													į. Į		i.										i.	1.							
٠.							31															٠ 					á						

Acknowledgments

I would like to thank the Mayors of Ladysmith and Medford. Without their interviews, this research would have never been complete.

padok ingali

Table of Contents

Executive Summary5
Introduction. 7
Economics: A Simple Approach
Healthy Economies: An extension of what people think are important
Overcoming Poverty: Mind over Matter
Evidence in Wisconsin Towns: Ladysmith and Medford
Northwest Wisconsin: Overcoming Rural Poverty9
The Economic Decline of Northwest Wisconsin
Rough Guidelines for New Economic Growth
A Closer Look at Ladysmith11
An Economic Picture
A Controversial Discovery
The Flambeau Mine
Ladysmith Benefits from the Flambeau Mine
When Mines Enter Minds
City Expenditures
School Expenditures
Economic Trends of Ladysmith and Medford (1989-1996)18
Population
Unemployment Rates
Wage Rates
City Debt
Conclusions. 20

Executive Summary

of the report "When Mines enter Minds: An investigation of Ladysmith and Medford.

Wisconsin and the Economic Impact of the Flambeau Mine"

Written by Tim Tynan

Conclusions:

- 1. The Flambeau Mine had a negligible impact on the economy of Ladysmith.
- A similar city, Medford, Wisconsin, (a city without a mine) has spent roughly the same amount of tax revenue as Ladysmith but on different initiatives. Ladysmith has spent much more money on economic development than Medford, and Medford has spent much more on schools and residential amenities.
- 3. Medford has outperformed Ladysmith in terms of economic prosperity over the past seven years.
- 4. The rich copper mine which once "promised the world" to those in Ladysmith is now gone—leaving a large, empty hole just outside the city.

Ladysmith	Medford
Has an open pit, copper sulfide mine	Does not have a mine
Is the only urban center in its County	Is the only urban center in its
	county
Population	
Roughly 4000 people	Roughly 4300 people
Tax Revenue	
Around \$3 million/ year	Around \$3 million/ year
Economic Development Spending per	
resident/ year. Spends \$115 per resident	Spends \$15 per resident
Highway Construction Spending per	
resident/ year	
\$5 per resident	\$79 per resident
Sidewalks, Streetlights, Benches, Etc per	
resident/ year	
\$27 per resident	\$50 per resident
Total School Expenditures/ year	
\$1.5 million	\$2.2 million
Unemployment (1989/1996)	(일본 경험을 하는 경험은 기본 등)
8%/10%	6.2%/ 6.5%
Average Gross Wage (1989/1995)	
\$16,000/ \$18,700	\$18,000/ \$20,000
Total Principal Debt (1989/ 1996)	
\$150,000/ \$280,000	\$135,000/ \$135,000

The spending patterns of the two cities reveal differences in planning priorities. It is apparent that Ladysmith planners have seen economic development as the number one

priority and have rated school spending and other residential conveniences as second. Medford planners, on the other hand, have rated school spending the highest, followed by highway construction and pedestrian amenities.

Lessons from Ladysmith

- Planning which prioritizes residential life will enhance communities and lead to a relatively high economic outlook. Planning which does not enhance residential life, and only attempts to grow economically, may lose residents and create enormous debts, while doing little to attract a diverse industrial base.
- 2. Mining does not create economic prosperity. Mining does not even create relative prosperity in rural centers where impacts should have been readily obvious.
- 3. Mining may even add to rural poverty as it distracts the priorities of urban planners and creates false hopes for the residents in a poor community. Ladysmith may well have done better if the planners, mayors and county board members had never met a mining executive. They would have spent their time attempting to improve the lives of the residents within the community, rather than spending more time and money attempting to attract those from outside the city.

The above study adds to the evidence that economic prosperity in rural communities is centered around residential life rather than industrial attractiveness. Communities which attract residents means that businesses soon follow (transient residents, or those who are staying temporarily, may not value long term economic health). More importantly, the businesses which stem from the residential community often enhance, rather than detract from, the reason people live there in the first place. It is doubtful that the people who live in Ladysmith are residents because they enjoy living near open-pit mines. Until mining is the reason people live in northern Wisconsin, it will be difficult for mining operations to add economic prosperity to the region.

installer herosit

Introduction

Economics: A Simple Approach

In an attempt to simplify economics, I often tell students I am tutoring, "Economics is not really about money. Instead, think of it as a study about what people think, and what people think is important."

I normally get a glazed stare followed by a question like, "Then why do we study money?" or, "Isn't that sociology?". "We study money", I explain, "because it supposedly represents what people think about because, according to economists.

- 1. People spend money on things they think are important.
- 2. The more important it is to them, the more money people spend on it
- 3. Also, according to economists, as people, we spend a lot of time thinking about ways to make and save more money

Healthy Economies: An extension of what people think are important

More and more, economists are discovering that "healthy" economies are ones which
develop around the values of local residents and embrace or enhance the quality of life for
those living in the area (Residents are those who permanently live in a community and are
separate from transient or temporary residents who are living in a community for a short
period of time or during one season of the year). Communities which embrace
environmental quality while developing strong economies are often called "Green and
Gold" communities². The "Green and Gold" economies are ones which communities have
shown an interest in protecting the local environment and have adopted strict
environmental standards. At the same time, the local economy grows in a way which
protects the environment while offering ample business opportunities for the local
residents.

Economic development should respect residential and community values. As studies are completed, it is becoming more clear that residential communities are the drivers for permanent, healthy economies. These communities often develop without much planning or deliberate attempts to attract industry because today's employers are also attracted to strong, residential communities which offer a high quality of life. The age when large, polluting factories were the sole economic driver of a community is over. Today, small manufacturing, high-tech businesses and service employment claim the majority of urban employment. These businesses no longer prosper in filthy, noisy areas, rather, they prosper in areas which offer a good life to the workers and business owners.

Overcoming Poverty: Mind over Matter

A developing philosophy among urban planners is that perhaps the best way to overcome poverty is to aggressively attempt to improve the quality of life for local residents. This suggests that the effects of poverty are closely linked to local resident's frame's of mind and by improving their home and community, better, healthy economies will surely follow.

The root of economics, "eco", is derived from the Greek word, "Oiko", which means "home".

² Community and Economy are used interchangeably.

What happens then, when "mines enter minds"? When a mining company comes to an impoverished community and offers money and jobs, will this necessarily improve the economy? The answer is: *it depends*.

It depends on several things about the community in which the mine will develop. It depends whether having a mine as an economic "safety net" will inhibit local creativity. It depends on whether the mine will fit with what the local people think is important. It also depends on whether the mine will necessarily improve the quality of life for residents in the community. Most importantly, it will depend on whether the mine will change what residents think is important and, in fact, shift their sense of place³.

Evidence in Wisconsin towns: Ladysmith and Medford

In the 1970s, a sulfide mine entered the minds of those in Ladysmith, Wisconsin (in Rusk County) as a possible endeavor which might bring the city out of an economic slump. The mine, called the Flambeau Mine, touted by the mining industry as "Wisconsin's Cadillac of Mines", is about to close and whether or not it had any positive effect on the city's economy has yet to be determined. What can be determined, however, is whether or not the very idea of a mine influenced city planners and residents, and in fact inhibited creative planning policy which would have attempted to do nothing more than increase the quality of life for the residents in Ladysmith.

The amount of influence the mine had on Ladysmith planners can be determined by examining another, similar city in the same area of northern Wisconsin which was not influenced by mining proponents. Medford, Wisconsin is a city where the planners were forced to use creative policies in an attempt to promote economic growth.

As time went on, officials in Medford, Wisconsin began to emphasize planning policies which would enhance the quality of life for the local residents. Education, quality health services, industrial diversity and urban park creation were just a few of the priorities of the planners in Medford. By 1995, Medford had surpassed Ladysmith in terms of economic growth and continues to grow as an urban center in a rural region. Ladysmith, on the other hand, has had little, if any success and is taking risky steps in an attempt to quickly remedy a poor, economic outlook. Now, faced with growing nearby urban centers. Ladysmith has to compete for industry and try even harder to hold on to the dwindling number of permanent residents.

³ "Sense of place" is broadly interpreted to mean "why people live where they do" and strongly connects residents with the local environment.

Northwest Wisconsin: Overcoming Rural Poverty

The Economic Decline of Northwest Wisconsin.

Northwest Wisconsin is a very rural area of the state with few urban centers and a long history of economic hardships. It is also a place dotted with many public forests, parks, riverways, and lakes offering residents a quality of life difficult to duplicate in other parts of the state or even the country.

In 1980, the area was suffering from high outmigration, high unemployment, lack of skilled labor, underdeveloped resources, poor farming conditions, low incomes, and a lack of human services.

Table 1

	NW	District and Ed	conomy in 198	Operation to the plant	
·	Inemployment	Population	Labor Force	Employment	Per Capita
		Growth Rate	Growth Rate	Growth Rate	Income
NW Region	8.80%	10.00%	0.70%	-0.90%	\$4,722
State	7.00%	6.50%	1.10%	-1.20%	\$6,618
Rusk	9.30%	9.50%	-5.10%	-8.90%	\$4,269
County					

Formed in 1973, the Northwest Regional Planning Commission was immediately compelled to offer ideas in which local communities might relieve themselves from the weight of rural poverty. The agency quickly recognized the high quality of life offered by the region. An internal policy developed which allowed them to offer solutions to economic dilemmas which would also preserve the beauty and natural values offered by the region.

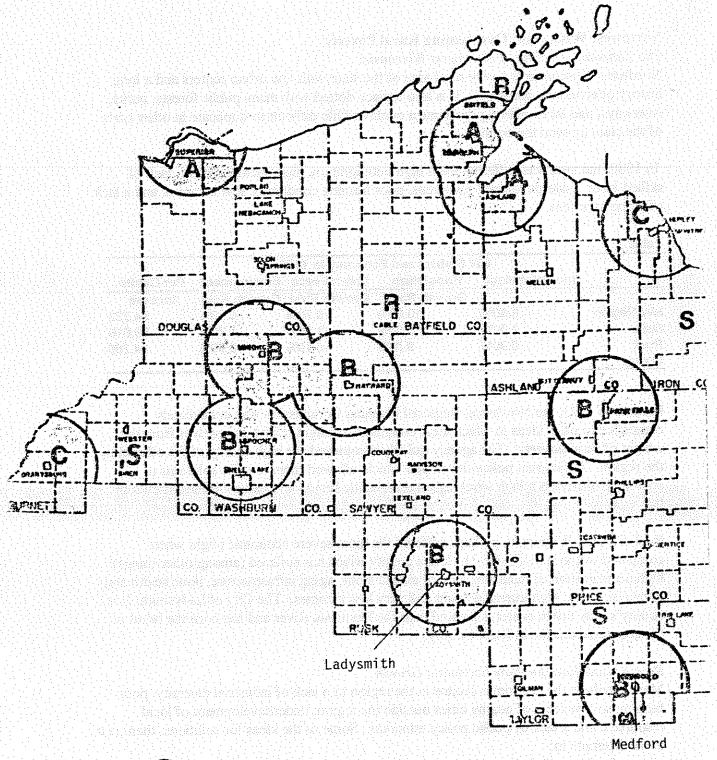
Rusk County, Wisconsin, perhaps suffered the most severe economic plight when compared to the state (Table 1). It is a county which has suffered (among other things): high outmigration of residents, lack of skilled labor, aging infrastructure, poor health and human services, high unemployment and very low incomes. The City of Ladysmith, Rusk county's only urban center is located near the Flambeau River and has born the brunt of the economic decline in Rusk County.

Rough Guidelines for New Economic Growth

Many attribute the economic decline in the region to a lack of industrial diversity, poor farming soil, success of nearby cities outside the region, underdevelopment of local resources, and a lack of public policy attention. Some of the ideas for solutions, then, rest in the attempts to:

- 1. Diversify industry in the area.
- 2. Induce more efficient farming practices.
- 3. Maximize the use of local, renewable resources.
- 4. Expand the tourism industry with the aid of public support.

NW DISTRICT ECONOMIC GROWTH CENTERS



(1)

PRIMARY GROWTH CENTER, A,B,C

S SECONDARY GROWTH AREA

R RECREATION GROWTH AREA

PLATE 2

From: "Economic Development for NW Wisconsin; Annual Report;"
10 1981

There have been a number of success stories in the region, however, they are not those in which cities or communities aggressively attempted to attract industry, or ones which have logged all the nearby forests. There is evidence to suggest that economic success often followed policies which attempted to enhance the quality of life for local residents.

A Closer Look at Ladysmith

An Economic Picture

Ladysmith, Wisconsin is the only urban center in Rusk county. In 1996, Ladysmith was economically far behind the State averages for population growth, labor force growth, gross working wage and unemployment:

Table 2

		1.1.													-
garegi k			, *	State	o the	red t	Comp	mith	dvsr	La				ug bija	1.7
				Avera			abor i	Control of the second		San San San San	!	Da			
			T -4				2. * 1. * 1. * 1. * 1. * 1. * 1. * 1. *		garanta ya	医骶骨 化氯磺	21,002,004	经存储的证据			
ent	employm	Uner	Wage	rking	Wa	Rate	irowth		-95)	1990	≀ate (
70%	9.	4	18,854		•	1.30%	-)%	-0.30				nith	adys	1
30%	4	5	24 68F	\$		30%	1	1%	7 70					State	1
. T.		47 - 34 July 1985 (1987)	518,854 524,685	4. 4. 5. 44. 5.		1.30% 0.30%			-0.30 7.70				nith	adys State	

A Controversial Discovery

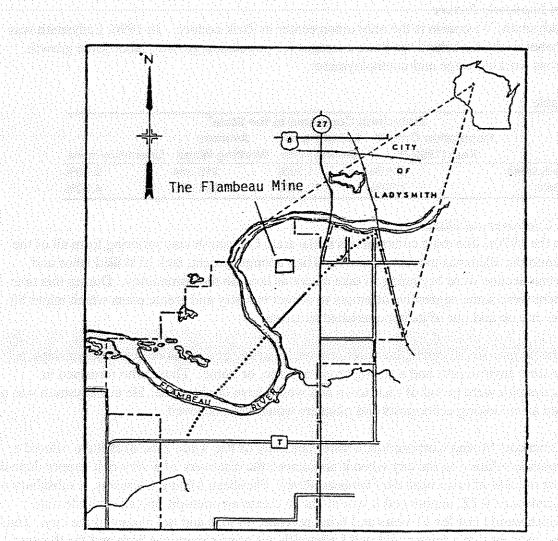
In the 1970s, like most communities in the area, Ladysmith was suffering from all of the economic dilemmas mentioned above. High unemployment, lack of skilled labor and urban decline were beginning to take a serious hold on the community. During this time there were some aggressive attempts to attract industry and create plans which might lift the city up and out of its impoverished situation.

The people of Ladysmith, however, enjoyed a strong community of close friendships, a pristine environment and a strong sense of place, or home. Those who remained in Ladysmith were proud of their town and would have doubted that life in Ladysmith was as bad as onlooking economists and planners would have believed.

Kennecott Mining Corporation, a sister company of Rio Tinto Zinc of Britain, offered a possible solution to the city when it announced the discovery of a very rich copper deposit just outside of town near the Flambeau River. Flambeau Mining Company, a subsidiary of Kennecott/RTZ, announced it would like to create an open-pit, metallic sulfide mine which would last for 11 years and bring revenue, 40 jobs and tax money to the city. Thus, the concept that a mine could pull Ladysmith out of its slump was born and for the next 15 years would remain nothing more than an idea which the people in Ladysmith would debate in nearly every county, city and town meeting before the Flambeau Mine would begin operation in 1993.

The discovery was welcomed by many of the residents. It took only a few years, however, for strong, local opposition to emerge on the scene. The battle, which ensued for over a decade, centered around strong environmental concerns because the mine would be so

⁴ Average wage and unemployment are Rusk County figures.



SKILLINGS MINING REVIEW - JANUARY 28, 1995 — PAGE 5

nasi kasak teknisi nyiki ni sina pini di katanikin termini tengan tehi banasi ni da mana desa mili basi s An mana indi ingikan menisi ni bahani kai 19 mina ki katah mengan bahan da mana ingi kana dina ban ban mili Manangan ingi mengan pangan da kanangan mengan mengan mengan pangan pengan da mengan bangan ban mengan mengit

close to the Flambeau River: a pristine fishing and recreational resource. Statewide. conservationists and environmental groups rallied to protest the mine and would often proclaim that mining was not an answer to rural poverty and it was not worth destroying the local environment for only 40 jobs. Opposition to the mine was, in fact, so strong that the mining company was twice forced to pursue the necessary permits. The first attempt failed because the idea was rejected due to local opposition.

The Flambeau Mine

The Flambeau Mining Company, a subsidiary of Kennecott Mining Corporation and sister company to RTZ of Britain, received the required permits to mine in 1991 and began operation in 1993. This was the end result of the second attempt to receive permits. The first attempt was made in the 1980s, but because of overwhelming local opposition, the company was not allowed to build the mine.

Until mining was discontinued in early 1997, the mine was an open pit mine which produced 1300 tons of ore per day. The ore was mainly copper mixed with gold and silver. It was one of the richest copper mines ever discovered in the world with a copper concentration around 10%-30%. (A profitable copper mine is one which normally has a concentration of 5%, and can have as little as 1%.)

Unlike most mines, the Flambeau Mine did not process any of the ore on site. Instead the ore was shipped via rail car out of state for processing. The lack of major infrastructure investment and a rich ore deposit have allowed the mining company to shorten operations to 4 years and will close in the middle of 1997. It is estimated that the ore generated \$650 million and the mining company has paid roughly 5% in taxes and other negotiated payments to the State and local communities.

Ladysmith Benefits from the Flambeau Mine

The mine generated a total of \$17 million dollars in taxes, investments and donations for the state and local communities. The city of Ladysmith has invested its entire share of the proceeds:

- 1. \$2.8 million used to build a 85,000 square foot manufacturing plant for a local furniture maker.
- 2. \$585,900 to expand the Fritz Ave. manufacturing plant.
- 3. \$479,430 to build a Forest Industry Business Park to attract new wood products employers.
- 4. \$473,100 to improve the local airport and access road.

When Mines Enter Minds

To determine if the presence of the mine had any affect on the economy of Ladysmith, a similar town in the region can be used as an example of what could have happened to Ladysmith if there had never been a mine. Medford, Wisconsin, was chosen because it is

^{*} From the Mining Investment and Local Impact Fund Board

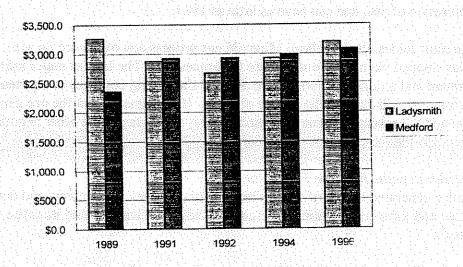
the only urban center in the neighboring Taylor County and, like Ladysmith, is in the jurisdiction of the Northwest Regional Planning Commission. Before the mine entered Rusk County, Ladysmith and Medford had almost identical populations, wage rates and resource availability. More importantly, however, since 1989, when the Flambeau Mining Company was aggressively seeking permits, Medford and Ladysmith have had very similar amounts of tax revenue every year. How this revenue was spent in each city is a good indicator of the planning priorities which were prevalent during the permitting, construction and operating periods of the Flambeau Mine (1989-1996).

Table 3

Taule J.					
		Ladysmith and	Medford in 1	1989	
		Total Revenue			City Debt
Ladysmith	4000	\$3,262,000	\$15,924		\$155,000
Medford	4,300	\$2,360,600	\$18,038	8.50%	\$133,600

Figure 1.5

Total Annual Revenue (\$000)



la de la composition La composition de la La composition de la

e infiliame (land) i e grecomento delle della schila con e land grapia (se) e la coloriame infile della proper An interpreparation sensi latinus sentre las plantaciones della coloriame della coloriame in la greco della co An interpreparation della coloriamenta della coloriame i continua della coloriame in la coloriame in della coloriame

⁵ 1996 data is an interpolation because actual data has not yet been published

City Expenditures

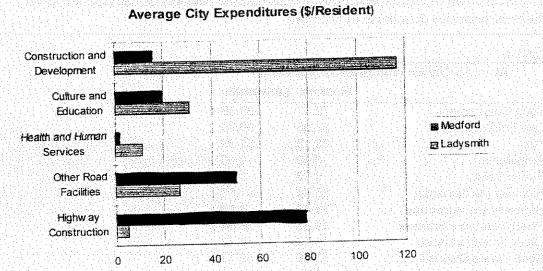
The breakdown of city expenditures reveals that the planners of Ladysmith had very different priorities than those of Medford.

Table 4.	Managari Caragani et e	
Average City Expenditu	res (\$/Res	ident)
	Medford	Ladysmith
Total Government	79.47	60.36
Law Enforcement	82.96	90.86
Fire	38.12	51.38
Ambulance	0.00	0.00
Public Safety	6.43	5.08
Highway Maintenance	68.04	91.60
Highway Construction	78.46	4.98
Road Related Facilities	49.57	26.54
Other Transportation	10.12	16.13
Solid Waste Disposal	53.36	59.13
Other Sanitation	0.03	4.25
Health and Human Services	1.17	11.04
Culture and Education	19.45	30.43
Parks and Recreation	37.93	33.36
Conservation & Development	15.79	116.71
Total	540.90	601.83

There are five major expenditure regions where Ladysmith and Medford differ considerably. Highway construction, road related facilities, health and human services, culture and education and construction and development. The Department of Revenue defines the above categories as follows:

- Highway Construction includes the operating expenditures and capital outlay for construction highways.
- Road Related Facilities include operating expenditures and capital outlays for limited purpose roads, street lighting, sidewalks, storm sewers, and parking facilities.
- Health and Human Services include operating expenditures and capital outlays for health officers, health inspections, mental health programs, general relief, cemetery, human shelter, institution care, social programs, aging and veterans programs.
- Culture and Education includes operating expenditures and capital outlays for libraries, museums, theatre and other cultural activities, and handicapped schools operated by counties.
- Conservation and Development includes operating expenditures and capital outlays for public housing, urban development, economic development, forestry and other conservation and development activities.

Figure 2:



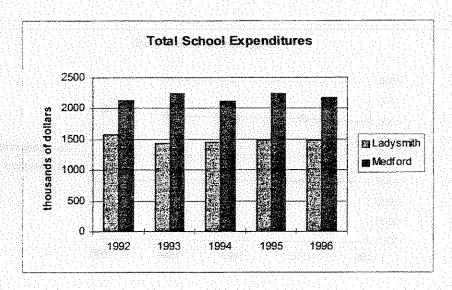
Broken down into per capita spending from collected tax revenue, this means that each Ladysmith resident has spent nearly \$117 in taxes annually on economic development, while the largest expenditure for Medford (excluding law enforcement) has been towards highway construction at almost \$80 per resident. The discrepencies between the two cities offer evidence for differences in planning priorities.

It is very clear that Ladysmith planners rated economic development as the number one priority over the last eight years. This is very different from the City of Medford, which, while spending much more on highway construction, has also outspent Ladysmith on sidewalks, street lights, storm sewers and other pedestrian facilities.

School Expenditures

Ladysmith and Medford planners placed different priorities on school spending. Medford has always outspent Ladysmith in terms of school spending.

Figure 3.



Conclusions

The spending patterns of the two cities reveal differences in planning priorities. It is apparent that Ladysmith planners have seen economic development as the number one priority and have rated school spending and other residential conveniences as second. Medford planners, on the other hand, have rated school spending the highest, followed by highway construction and pedestrian amenities.

The acceptance of the Flambeau Mine by the residents of Ladysmith would suggest that there was a general perception that the mine would encourage economic growth in the community. One possibility is that, given the controversial nature of the mine, creating an economic "boom" (or the perception of one) in the city of Ladysmith, would be necessary to justify the mine's existence.

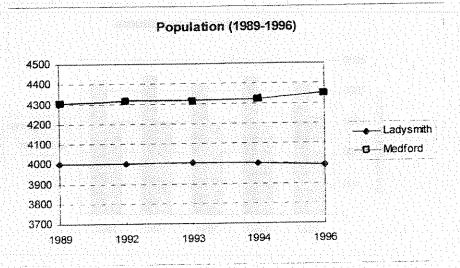
The last piece of research as to whether or not the Flambeau Mine did, in fact positively, impact the local economy of Ladysmith, requires a look at the economic trends of Ladysmith and Medford over the past seven years. Given the enormous amounts of money Ladysmith residents are paying (via taxes) for economic development, one would expect, if nothing else, that a prosperous Flambeau Mine would at least push Ladysmith out of economic disparity into economic competition with the other urban centers in Northwest Wisconsin.

Economic Trends of Ladysmith and Medford (1989-1996)

Population

It is surprising that the population trends for the two communities over the research period have remained relatively unchanged. Only until 1996, was there a noticeable increase in Medford population and a decrease in Ladysmith population.



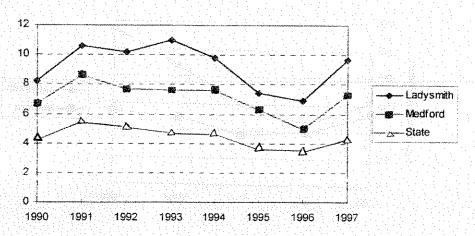


Unemployment Rates

Figure 5 illustrates that unemployment rates fluctuated from 1990 to January of 1997 but there was little net difference for either Ladysmith or Medford (other than Medford having a consistently lower unemployment rate). The sudden decline from 1994 to 1996 in both communities offered temporary relief to Medford and Ladysmith. However, the fact that both Medford and Ladysmith (and arguably the State) encountered the same unemployment trends during this period suggests that the Flambeau Mine had little to do with the fluctuations. Rather, it appears to have been a regional trend in unemployment rates.

Figure 5.

Unemployment Rates (1990-1997)

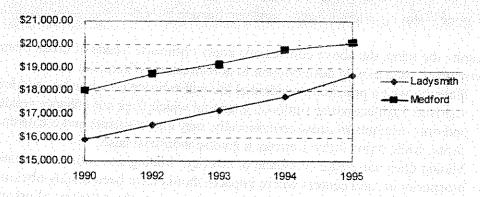


Wage Rates⁶

Similar to unemployment trends, Medford and Ladysmith have seen similar increases in average wage rates. Ladysmith has been somewhat successful at closing the gap between the two cities. The average wage rate in Medford, however, remains substantially higher than in Ladysmith.

Figure 6.

Average Wage Rate (1990-1995)



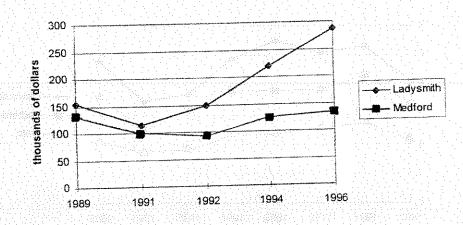
City Debt

Unlike wage rates and unemployment, total principle debt for Ladysmith is very different from Medford. Over the past few years, Ladysmith has seen a dramatic increase in debt while Medford has had little, if any, net change. When looking back at population trends, the increase in debt combined with a decrease in population in Ladysmith suggests that each remaining resident carries a higher debt burden than residents in Medford.

⁶ The Department of Industry Labor and Human Relations has yet to make public the data for 1996.

Figure 7.

Total Principle Debt



Conclusions

Thus, there are three conclusions which can be drawn from the previous investigation:

- The Flambeau Mine had a negligible impact on the economy of Ladysmith.
- A similar city, Medford, Wisconsin, (a city without a mine) has spent roughly the same amount of tax revenue as Ladysmith but on different initiatives. Ladysmith has spent much more money on economic development than Medford, and Medford has spent much more on schools and residential amenities.
- 3. Medford has outperformed Ladysmith in terms of economic prosperity over the past seven years.
- The rich copper mine which once "promised the world" to those in Ladysmith is now gone-leaving a large, empty hole just outside the city.

Despite the mine, the above conclusions imply optimistic trends of urban planning in rural communities and mining development in northwestern Wisconsin:

- Planning which prioritizes residential life will enhance communities and lead to a relatively high economic outlook. Planning which does not enhance residential life. and only attempts to grow economically, may lose residents and create enormous debts, while doing little to attract a diverse industrial base.
- 2. Mining does not create economic prosperity. Mining does not even create relative prosperity in rural centers where impacts should have been readily obvious.
- Mining may even add to rural poverty as it distracts the priorities of urban planners and creates false hopes for the residents in a poor community. Ladysmith may well have done better if the planners, mayors and county board members had never met a mining executive. They would have spent their time attempting to improve the lives of the residents within the community, rather than spending more time and money attempting to attract those from outside the city.

The above study adds to the evidence that economic prosperity in rural communities is centered around residential life rather than industrial attractiveness. Communities which attract residents means that businesses soon follow (transient residents, or those who are staying temporarily, may not value long term economic health). More importantly, the businesses which stem from the residential community often enhance, rather than detract from, the reason people live there in the first place. It is doubtful that the people who live in Ladysmith are residents because they enjoy living near open-pit mines. Until mining is the reason people live in northern Wisconsin, it will be difficult for mining operations to add economic prosperity to the region.

References

Basic Planning Profile; Rusk County, WI Department of Health and Social Services, Division of Mental Hygiene, Bureau of Planning-Evaluation-Research, May 1976.

Basic Planning Profile; (for Taylor, Sawyer, Price, Ashland Counties), Same as #1.

State of Wisconsin Blue Book 1971-1972, Wisconsin Legislative Reference Bureau, 1971.

State of Wisconsin Blue Book (1981-1982, 1991-1992, 1995-1996), Wisconsin Legislative Reference Bureau, 1981, 1991, 1995.

Report on 1987 County Sales and Use Tax by Business Type, WI Department of Revenue, Division of Research and Analysis, June 1988.

Report of 1990 Sales and Use Tax by Business Type, WI Department of Revenue, Division of Research and Analysis, June 1991.

State and County Sales and Use Tax Reports-1994, WI Department of Revenue, Division of Research and Analysis, June 1995.

Town, Village, and City Taxes, 1989, Taxes Levied 1989--Collected 1990, WI Department of Revenue, Division of State and Local Finance, 1990.

Town, Village, and City Taxes, 1990, Taxes Levied 1990--Collected 1991, WI Department of Revenue, Division of State and Local Finance, 1991.

Town, Village, and City Taxes, 1991, Taxes Levied 1991-Collected 1992, WI Department of Revenue, Division of State and Local Finance, 1992

Town, Village, and City Taxes, 1992, Taxes Levied 1992--Collected 1993, WI Department of Revenue, Division of State and Local Finance, 1993.

Town, Village, and City Taxes, 1993, Taxes Levied 1993--Collected 1994, WI Department of Revenue, Division of State and Local Finance, 1994.

Town, Village and City Taxes, 1994, Taxes Levied 1994--Collected 1995, (Same as #8), 1995.

Town, Village, and City Taxes, 1995, Taxes Levied 1995-Collected 1996, WI Department of Revenue, Division of State and Local Finance, 1996.

Labor Market, Planning Information—Northwest Region to 1993. WI Department of Industry, Labor and Human Relations, Division of Jobs, Employment and Training Services, Workforce Policy and Information Bureau, October 1993.

Wisconsin Municipal per Return Income Report for 1994, WI Department of Revenue. Division of Research and Analysis, September 22, 1995.

Wisconsin Covered Employment by Size of Reporting Unit, by Industry and by County, WI Department of Industry, Labor and Human Relations, Division of Jobs, Employment and Training Services, Workforce Information Bureau, Oct. 1995.

Overall Economic Development Program, Northwest Regional Planning and Development Commission, January, 1973

Resources and Recreation Plan for Burnett, Rusk, Sawyer, Taylor and Washburn Counties, Northwest Regional Planning and Development Commission, November, 1970.

1981,1995,1996 Overall Economic Development Program Update, Northwest Regional Planning Commission, 1981, 1995, 1996

Total Operating Expenditures and Revenue (1989, 1991, 1992, 1994). Wisconsin Department of Revenue, 1989, 1991, 1992, 1994.

Civilian Labor Force Estimates (1989-Jan. 1997), U.S. Deparment of Labor.

The New Resource Wars; Native and Environmental Struggles Against Multinational Corporations, Al Gedicks, South End Press. Boston, 1993.

Rusk County, Wisconsin: a plan for Outdoor Recreation, Northwestern Wisconsin Regional Planning and Development Commission, November, 1975.

Employment, Wages and Taxes Due, Covered By Wisconsin's U.C. Law, 1989-1995. Wisconsin Department of Industry, Labor and Human Relations, Issue no. 48, 1989-1995

Northwest Wisconsin SDA, Industrial and Occupational Projections to 1995, Wisconsin Department of Industry, Labor and Human Relations, March, 1988.

Final Environmental Impact Statement, Flambeau Mining Co.--Copper Mine, Ladysmith, Wisconsin, Wisconsin Department of Natural Resources, March 1990.

Northwest Wisconsin Projections: 1992-2005; Industry, Occupations, Labor Force, Department of Industry, Labor and Human Relations, November, 1995.

Labor Market Planning Information 1993, Wisconsin, Department of Industry, Labor and Human Relations; Division of Jobs, Employment and Training Services, Workforce Policy and Information Bureau, October, 1993.

Timber Forecast, County Forests. Northwest Wisconsin 1980-1989, Northwest Regional Planning and Development Commission and Wisconsin Department of Natural Resources. 1979.

Timber Forecast: Wisconsin Public Forests 1984-1993, Northwest Regional Planning Commission and Wisconsin Department of Natural Resources, November, 1983.

An Evaluation of Tentative Industrial Sites: Ladysmith, Northwest Regional Planning and Development Commission, 1976.

Overall Work Program for 1981 with a Perspective on 1982 and 1983, Northwest Regional Planning Commission, 1981.

Northwestern Wisconsin: A Study of Area Visitors, Northwest Regional Planning Commission, Spooner, Wisconsin, October. 1986.

Rural Industrial Development and Domestic Dependency Relations: Toward and Integrated Perspective, Stephen B. Lovejoy and Richard S. Krannich, Rural Sociology Society, 1982.

Addictive Economies: Extractive Industries and Vulnerable Localities in a Changing World Economy, William R. Freudenburg, Rural Sociology Society, 1992.

Presidential Address: Rural Peoples in a Global Economy, Cornelia Butler Flora, Rural Sociology Society, 1990.

The Socioeconomic Impacts of Mining in Wisconsin: A Report to the State Legislature, Tim Tynan et al., University of Wisconsin, Madison, Department of Rural Sociology, 1995.

MEMORANDUM

from JOYCE L. KIEL Legislative Council

Representative Duff-

I am still trying to get the information you requested about a resolution relating to mining which you thought the Mole Lake (Sokaogow Chippena Community) had pussed.

The geople I weed to speak with one out for the holidays. I hope to have something next week.

Joy a Kel



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

One East Main Street, Suite 401; P.O. Box 2536; Madison, WI 53701-2536 Telephone (608) 266-1304 Fax (608) 266-3830

DATE:

December 30, 1997

TO:

REPRESENTATIVE MARC DUFF

FROM:

Joyce L. Kiel, Staff Attorney

SUBJECT:

Provisions in the Constitution of the Menominee Indian Tribe of Wisconsin

Relating to Natural Resources and Amendment of that Constitution

This memorandum, prepared at your request, provides information about: (a) provisions in the Constitution of the Menominee Indian Tribe of Wisconsin (Menominee Tribe) relating to natural resources; and (b) the procedure to amend that Constitution. As you requested, a copy of the Menominee Tribe's Constitution is attached. (See Attachment 1.)

A. PROVISIONS IN THE MENOMINEE TRIBE'S CONSTITUTION RELATING TO NATURAL RESOURCES

In addition to general language about natural resources in the Preamble (page 1) and Article I (Jurisdiction) (page 1) and provisions relating to the management of tribal forest lands, there are several provisions in the Menominee Tribe's Constitution directly relating to natural resources. These include the following:

- 1. Article IX, Section 1 (page 21)—which refers to the right of tribal members to hunt, fish, trap and gather food from plants subject to tribal laws which are necessary to conserve these natural resources of the Menominee Tribe.
 - 2. Article X, Section 3 (page 24)--which provides that:

The Tribal Legislature shall not develop on a commercial or industrial basis any natural resources of the Tribe without the consent of a majority of the total number of eligible voters of the Tribe, except as otherwise specified in Article XI, Section 2 (d). [Article XI, Section 2 (d) is set forth on pages 25 and 26 and relates to leases to nontribal members, corporations or businesses of tribal trust land located outside the boundaries of the Menominee Reservation as defined in the 1854 Treaty.]

3. Article XI, Section 1 (a) (page 24)--which provides that:

The Tribal Legislature shall by ordinance establish a comprehensive land use and natural resources conservation plan, for lands and natural resources subject to tribal jurisdiction. Such plan shall include rules and procedures by which tribal members, and nontribal members who qualify under Section 2 of this Article, may obtain permission to use a specified parcel of tribal land for residential, agricultural, commercial, recreational, or industrial purposes, however, such permission shall not include any subsurface rights except as specifically authorized by the plan. Such plan shall also include rules and procedures by which tribal members may use the natural resources of the Tribe consistent with principles of conservation.

B. PROCEDURE TO AMEND THE CONSTITUTION OF THE MENOMINEE TRIBE

You also asked about the procedure to amend the Menominee Tribe's Constitution. Article XIX (page 36) of the Constitution provides as follows:

This Constitution and Bylaws is adopted pursuant to Section 16 of the Indian Reorganization Act (25 U.S.C. s476, 48 Stats. 987) [see Attachment 2] and may be amended in accordance with the rules and regulations adopted by the Secretary of the Interior pursuant to that section. The Secretary of the Interior shall hold an election on the adoption of an amendment or amendments to this Constitution and Bylaws when requested by a vote of two-thirds (2/3) of the entire Tribal Legislature or by a petition signed by at least three hundred (300) eligible tribal voters and validated in accordance with applicable rules of the Secretary, or if none, with applicable tribal ordinance. The Secretary of the Interior shall not propose amendments to this Constitution and Bylaws.

The rules of the Secretary of the Interior are set forth in 25 Code of Federal Regulations Parts 81 and 82. Those regulations govern the election and petitioning processes. Let me know if you would like a copy of these regulations as I have a copy of them.

If you would like any further information on this subject, please feel free to contact me at 266-3137.

JLK:jt;lah

Attachments

CONSTITUTION & BYLAWS OF THE MENOMINEE INDIAN TRIBE OF WISCONSIN



TABLE OF CONTENTS

PREAMBLI	Ε		1
ARTICLE	I - JURISDI	CTION	1
ARTICLE	II - TRIBAI		1
	Section 1.	Requirements	1
	Section 2.	Ineligibility For Membership or Automatic Forfeiture of Membership	2
	Section 3.	Enrollment Committee	2
	Section 4.	Appeal From Denial of Membership Application	2
	Section 5.	Removal From Membership Roll By Tribal Legislature	3
	Section 6.	Yoluntary Relinquishment of Membership	3
	Section 7.	Enforcement	3
ARTICLE	III - POWEI	RS OF THE TRIBAL GOVERNMENT	3
	Section 1.	Powers of the Tribal Legislature	3
	Section 2.	Powers of the Tribal Judiciary	4
	Section 3.	Separation of Powers	4
ARTICLE	IV - THE T	RIBAL LEGISLATURE	4
	Section 1.	Composition, Terms of Office, and Classes	4
	Section 2.	Initial Division of Tribal Legislature Into Classes	5
	Section 3.	Election of Tribal Legislators	5
	Section 4.	Requirements For Candidates For Election To The Tribal Legislature And For Tribal Legislators	6
	Section 5.	Consecutive and Simultaneous Terms of Office	

Section 6.	Community Committees of The	
	Tribal Legislature	7
Section 7.	Administration of Tribal Government	7
Section 8.	Powers and Duties	7
ARTICLE V - THE TE	IBAL JUDICIARY	7
Section 1.	Structure,	7
Section 2.	Appointment and Term of Office	8
Section 3.	Compensation	. 8
Section 4.	Qualifications and Disqualifications	8
Section 5.	Removal From Office by Tribal Legislature and Automatic Vacancies	9
Section 6.	Rules of Tribal Courts	. 9
Section 7.	Records and Court Clerk	. 9
Section 8.	Appropriations	9
Section 9.	Enforcement	.10
ARTICLE VI - TRIBA	L ELECTIONS	.10
Section 1.	<u>Voter Requirements</u>	.10
Section 2.	<u>Voting</u> .	.10
Section 3.	Action By The Tribe: Approval - Disapproval. Consent - Rejection.	
	물론 기업을 보고 있었다. 그 말로 있었다. 한 그런 그는 그는 그리고 있다고 있다고 있다.	
열하다 한 일본 경우를 보고 몰라 말아	Regular and Special Elections	
Section 5.	Tribal Election Commission	.10
Section 6.	Elections Which Result in Ties	.13
	Disputed Elections.	
Section 8	Duty To Enforce This Article	

ARTICLE	VII - REMOVAL OF ELECTED OFFICIALS FROM OFFICE	
	AUTOMATIC VACANCY AND THE FILLING OF VANCANCIES	12
	[10] [14] [16] [16] [16] [16] [16] [16] [16] [16	
	Section 1. Recall1	2-14
	Section 2. Expulsion and Suspension of Tribal Legislators	15
	Section 3. Automatic Vacancies	15
	Section 4. The Filling of Vacancies In Office1	5-16
	Section 5. Tribal Judiciary Excluded	16
ARTICLE	VIII - INITIATIVE AND REFERENDUM	17
	Section 1. General Authority	17
	Section 2. <u>Procedure</u> 1	7-18
	Section 3. Referendum Petitions: Suspension of Effect of Ordinance in Question	19
	Section 4. Action on Petitions	20
	Section 5. Results of Election	20
	Section 6. Re-enactments, Amendment or Repeal	21
ARTICLE	IX - RIGHTS OF TRIBAL MEMBERS AND OTHER PERSONS SUBJECT TO TRIBAL JURISDICTION	21
	Section 1. Hunting, Fishing, Trapping, Gathering	21
	Section 2. Rights of Persons Subject To Tribal Jurisdiction	21-23
ARTICLE	X - LIMITED POWER OF TRIBAL LEGISLATURE TO TRANSFER OWNERSHIP OF, OR TO ENCUMBER, TRIBAL LAND OR INTERESTS THEREIN	
	Section 1. <u>Limited Power To Transfer Tribal Land</u> Out of Tribal Ownership	23
	Section 2. Limited Power To Encumber Tribal Lands	23-24
	Section 3. Limited Power To Develop Natural Resources.	24
	Section 4. Principle of Construction	24

ARTICLE XI - USE OF TRIBAL LAND BY TRIBAL MEMBERS AND QUALIFIED NON-TRIBAL MEMBERS	24
Section 1. Land Use and Natural Resources Conservation Plan	24-25
Section 2. <u>Use of Tribal Land by Non-Tribal</u> <u>Members</u>	25-26
ARTICLE XII - SUCCESSOR BUSINESSES TO MEMOMINEE ENTERPRISES	26
Section 1. Duty of the Tribal Legislature	26
Section 2. <u>Successors to Menominee Enterprises</u>	26-31
ARTICLE XIII - TRIBAL BUSINESSES	32
Section 1. <u>Interrelationship Between Tribal</u> <u>Businesses And The Tribal Legislature</u>	32
Section 2. Duty to Enforce	32
Section 3. Forestry Business Exception	tale e (distribute)
ARTICLE XIV - TRUST AGREEMENT BETWEEN THE MENOMINEE	
INDIAN TRIBE AND THE UNITED STATES	
Section 1. <u>Trust Agreement</u>	
Section 2. Negotiating Principles	33-34
Section 3. <u>Approval By Tribe Required</u>	34
ARITCLE XV - TRIBAL GOVERNMENT CAREER AND MERIT SYSTEM OF EMPLOYMENT	34
Section 1. Merit Principle	1 Table 1
Section 2. Duty to Enforce	
ARTICLE XVI - FINANCIAL CONTROL	35
Section 1. Budget and Appropriations	35
Section 2. Accounting System	35
Section 3. Fiscal Year	

ARTICLE	XVII - CONFLICT OF INTEREST	35
	Section 1. Conflicting Personal Financial Interest Prohibited	35
	Section 2. Other Conflicts of Interest	35
ARTICLE	XVIII - SOVEREICN IMMUNITY	35
	Section 1. General Prohibition	35
	Section 2. Suits Against The Tribe In Tribal Courts By Persons Subject To Tribal Jurisdiction	35
	Section 3. <u>Suits Against The Tribe In The</u> Courts Of The United States	36
ARTICLE	XIX - AMENDMENTS TO CONSTITUTION AND BYLAWS	36
ARTICLE	XX - ADOPTION OF CONSTITUTION AND BYLAWS	36
	<u>BYLAWS</u>	
BYLAW I	- OFFICERS AND COMMITTEES OF THE TRIBAL	
	LEGISLATURE; DUTY TO VOTE STOCK OF MENOMINEE ENTERPRISES, INC	37
	Section 1. Officers of the Tribal Legislature	37
	Section 2. Committees of the Tribal Legialature	38
	Section 3. Duty to Vote Stock of Menominee Enterprises, Inc	39
BYLAW I	1 - PROCEDURE OF THE TRIBAL LEGISLATURE	39
	Section 1. Meetings of the Tribal Legislature	39-41
	Section 2. Ordinances, Resolutions, and Motions	41-44
	Section 3. Tribal Records	The second second
	Section 4. Posting Procedure	4

BYLAW	III - GENERA	L COUNCIL	46
	Section 1.	Establishment of General Council; Response to Recommendations	46
	Section 2.	Annual General Council Meeting	46
der beginnt view and an view as	Section 3.	Special General Council Meeting	46
	Section 4.	Election of Enrollment Committee	47
BYLAW	IV - OATH OF	OFFICE.	47
BYLAW	V - DEFINITION	ONS.	48
BYLAW	VI - AMENDME	NTS TO BYLAWS	49

CONSTITUTION AND BYLAWS OF THE MENOMINEE INDIAN TRIBE OF WISCONSIN

PREAMBLE

We, the members of the Menominee Indian Tribe of Wisconsin, being a sovereign nation, in order to organize for the common good, to govern ourselves under our own laws and customs, to maintain and foster our tribal culture, to protect our homeland and to conserve and develop its natural resources, and to insure our rights guaranteed by treaty with the Federal Government, do establish and adopt the following Articles and Bylaws of this Constitution and Bylaws for the government, protection, and common welfare of the Menominee Indian Tribe of Wisconsin and its members.

ARTICLE I - JURISDICTION

The governmental powers of the Menominee Indian Tribe of Wisconsin, a federally recognized sovereign Indian Tribe, shall consistent with applicable Federal law extend to all persons, and subjects, to all lands and other property including natural resources, and to all waters and air space, within the exterior boundaries of the Menominee Indian Reservation, including any land which may hereafter be added to the Reservation under any law of the United States. The governmental powers of the Menominee Indian Tribe shall, consistent with applicable Federal law, also extend outside the exterior boundaries of the Reservation to any persons, subjects, or real property which are, or may hereafter be, included within the jurisdiction of the Tribe under any law of the United States or of the Tribe.

ARTICLE II - TRIBAL MEMBERSHIP

Section 1. Requirements.

Membership in the Menominee Indian Tribe shall consist of the following persons:

- (a) Those persons of one-quarter (1/4) degree Menominee Indian blood whose names appear on the tribal roll compiled pursuant to subsection 4(c) of the Menominee Restoration Act (87 Stat. 771), and
- (b) Those persons who possess at least one-quarter (1/4) degree Menominee Indian blood, and who are descendants of persons enrolled on the tribal membership roll compiled pursuant to subsection 4(c) of the Menominee Restoration Act (87 Stat. 771), and who are enrolled on the official tribal membership roll in accordance with procedures established by the Tribal Legislature by ordinance.
- (c) A person shall be removed from the tribal membership roll only in accordance with the procedures set forth in Section 5 of this Article.

	. : 1	:		1			ر در داند داند داند داند داند داند داند دا
ok ok ok ok ok ok ok	* * K	化抗抗抗抗	entencent per	KN XXXXXXXXXX	26 26 26 26 26 26 26 26	. 26.26.36.36.36.36.36.3	*****

The Menominee Tribal Legislature on this 8th day of August, 8th, 1991 hereby certifies this page (*pn) of the Menominee Constitution & Bylaws as a True & Correct page of the Document.

Chairman, Glen T. Miller

8-8-91

Date

Seal

Secretary, Lucille B. Chapman

Date Date

Section 2. Ineligibility For Membership or Automatic Forfeiture of Membership.

No person shall be eligible to be a member of the Menominee Indian Tribe if that person is enrolled in another Indian Tribe. Any member of the Menominee Indian Tribe who applies to be and is accepted as a member of another Indian Tribe shall thereby automatically forfeit membership in the Menominee Indian Tribe and all rights and benefits to which tribal members are entitled by virtue of their membership.

Section 3. Enrollment Committee.

- (a) An Enrollment Committee composed of five (5) eligible tribal voters shall be elected or appointed, beginning in 1992 and every three years thereafter, at the Annual General Council meeting in accordance with Bylaw III, Section 4, of this Constitution and Bylaws. The members of the Enrollment Committee shall be subject to the supervision of the Tribal Legislature. If the Enrollment Committee is appointed, the Tribal Legislature, by majority vote, shall have the power to terminate any such appointment for good cause, and to make a new appointment. If the Enrollment Committee is elected, the members of the committee shall be subject to the terms of Article VII of this Constitution, including the provisions of Section 2, which shall govern the manner in which the Tribal Legislature may expel or suspend a member of the Enrollment Committee from office. In the event of any vacancy, the Legislature, by majority vote, shall within sixty days appoint a replacement for the remainder of the term.
- (b) The Enrollment Committee shall have the authority and duty to maintain a current and accurate official tribal membership roll in accordance with the provisions of this Article. The Enrollment Committee shall report at least four (4) times a year to the Tribal Legislature as to the current status of the roll. The Committee shall have the authority to investigate suspected errors in the roll, and where it deems appropriate in view of evidence, shall recommend changes in the roll to the Tribal Legislature.

Section 4. Appeal From Denial of Membership Application.

Any person whose application for membership in the Menominee Indian Tribe is denied shall have the right to appeal such adverse decision to the Tribal Judiciary, but only after exhausting all remedies available within the Tribal Legislature.

The Menominee Tribal Legislature on this 8th day of August, 8th, 1991 hereby certifies this page (*pn) of the Menominee Constitution & Bylaws as, a True & Correct page of the Document.

Chairman, Glen T. Miller

7-8-91 Date

Seat

Secretary, Lucitle B. Chapman

8-8-91

Section 5. Removal From Membership Roll by Tribal Legislature.

If, upon the report and recommendations of the Enrollment Committee, the Tribal Legislature determines that any person lacks a required membership qualification, proceedings shall be instituted against such person in Tribal Court to remove such person from the tribal membership roll. Only after a final decision is rendered in favor of the Tribal Legislature shall the affected person's name be removed from the tribal membership roll.

Section 6. Voluntary Relinquishment of Membership.

Members of the Menominee Indian Tribe may relinquish membership in the Tribe in accordance with procedures established by the Tribal Legislature. However, any member of the Tribe who relinquishes membership voluntarily, or who forfeits membership by enrolling in another Indian Tribe, shall not again be eligible to enroll as a member of the Menominee Indian Tribe.

Section 7. Enforcement.

The Tribal Legislature shall enforce this Article by ordinance, provided that, the Tribal Legislature shall have no power to establish substantive requirements for membership in addition to those established in Section 1 of this Article, nor to waive any of these requirements.

ARTICLE III - POWERS OF THE TRIBAL GOVERNMENT

Section 1. Powers of the Tribal Legislature.

The Tribal Legislature, as established in Article IV of this Constitution, shall be vested with all executive and legislative powers of the Tribe including the power to make and to enforce laws, and including such powers as may in the future be restored or granted to the Tribe by any law of the United States, or other authority. The powers of the Tribal Legislature shall include those powers vested in the Tribe by Section 16 of the Indian Reorganization Act (48 Stat. 987), namely, to employ legal counsel, the choice of counsel and fixing of fees to be subject to the approval of the Secretary of the Interior; to prevent the sale, disposition, lease or encumbrance of tribal lands, interest in lands, or other tribal assets without the consent of the Tribe; and to negotiate with the Federal, State and local governments. This Constitution and Bylaws and ordinances of the Tribal Legislature adopted pursuant to this Constitution shall be the supreme law of the Menominee Indian Tribe and all persons subject to its jurisdiction. However, the Tribal Legislature shall exercise its powers consistent with the limitations imposed by this Constitution and Bylaws.

The Menominee Tribal Legislature on this 8th day of August, 8th, 1991 hereby certifies this page (*pn) of the Menominee Constitution & Bylaws as a True & Correct page of the Document.

Chairman, Glen T. Miller

8-8-91 Date

Seal

Lucille B. Chapman

8 - 8 - 9 1 Date